

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA, 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

September 21, 2004

- 1) **ROLL CALL:** President Muller called the meeting to order at 7:40 p.m. Present at roll call were Directors Jim Larimer, Everett Ascher, Ken Coverdell and Chris Mickelsen.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Judy Nosecchi, Superintendent of Operations, JoAnne Whelen, Administrative Assistant/Recording Secretary; Amanda Cox, Water Conservation Coordinator, Gina Brazil, Office Manager and Bridget Burns, Office Specialist.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.

- 3) **PUBLIC ANNOUNCEMENTS:** There were no announcements made by the public at this time. President Muller apologized for the week delay in conducting the Coastside County Water District Board of Directors meeting and explained it was due to scheduling conflicts and announced that the meeting would be broadcast on MCTV on Monday, September 27, 2004.

President Muller also took this opportunity to express his appreciation to Field Supervisor, John Davis, explaining that on the previous Saturday, as Mr. Muller was traveling on the highway near the Lutheran Church he noticed a large water leak going towards the front of the church. He called the district office and was forwarded to the county emergency call center, where he reported the water leak. President Muller stated that Mr. Davis responded promptly and repaired the major leak, which was actually located on the Lutheran Church's private property.

- 4) **CONSENT CALENDAR**

- A. **Requesting the Board to review disbursements for the month ending August 31, 2004 – Claims: \$591,595.29; Payroll: \$49,379.12 for a total of \$640,974.41**
- B. **Acceptance of Financial Reports**
- C. **Minutes of the Meeting of August 10, 2004 of the Board of Directors**
- D. **Monthly Water Transfer Report**

Director Larimer reported that he had reviewed the monthly claims and found them to be in order. He suggested that staff provide other recommended options for the process of reviewing the monthly financial disbursements.

Director Ascher reported that one format recommended by the Special District's Institute, is to list the expenditures on the basis of the value, starting with the largest sum disbursements listed first.

Director Coverdell provided a brief history of the director's monthly expenditure review, explaining that the practice was started originally when it was reported that another water agency had some problems with their petty cash and credit card expenditures and CCWD started reviewing those two items only and later, a broader financial review was instituted.

President Muller stated that he felt that the practice of the Board members providing a brief review of the monthly financial reports was important and should be continued and invited staff recommendations on any possible improvements to the process.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted unanimously to accept the Consent Calendar in it's entirety:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

5) REPORT OF THE GENERAL MANAGER

A. Demonstration, discussion and possible direction to staff to purchase Sensus Radio Read Water Technology Advancement Program package

The General Manager briefly explained some of the advantages of eventually converting to a monthly billing system and how utilizing a radio-read meter system would be beneficial in the transition of changing the billing cycles, as well as the benefits in streamlining the meter reading process, and increasing efficiency and safety. Ford Hoover, Factory Representative from Sensus Meter Systems was then introduced and provided a brief presentation and addressed questions from the Board. Director Larimer expressed a number of questions regarding the program and discussion ensued among the Board. President Muller suggested that staff present this item at a future meeting for Board discussion and consideration and in the meantime Director Larimer could work directly with the General Manager, regarding his questions and issues on this subject.

B. Discussion and presentation of Biological Report (Sensitive Species and Habitat Potential) for the Carter Hill West Pipeline Replacement Project

The General Manager presented this item and introduced George Burwasser of EIP Associates who proceeded to provide a presentation of the recent report prepared and submitted to the City of Half Moon Bay, addressing the sensitive species and habitat potential for the Carter Hill West Pipeline Replacement Project. Mr. Burwasser explained the report and findings in detail. President Muller stressed the critical importance of this mainline replacement in the system, explaining that this portion of the system pipeline is vital to the community in the delivery of water to the coastside. President Muller requested that staff contact the Cabrillo Unified School District and touch base with their administration regarding the district's plans and schedule for the pipeline replacement and paving. Director Larimer requested that the biological report and EIP's presentation of the biological report be posted on the district's website.

C. Request for Extension of Commitment to reserve 72 Non-Priority Water Connections for the Wavecrest Village Project

The General Manager provided a brief introduction to this agenda item, and referenced the staff report and the draft letter prepared in response to the request for the extension.

Mr. Patrick Fitzgerald of Wavecrest Village, LLC addressed the Board, reiterating the request for the extension of commitment to reserve the 72 non-priority water connections for the Wavecrest Village Project. He also stated that they understood the district's issue of transferability of the connections and that they were willing to disregard that portion of their request. The district's legal counsel pointed out that the Board needed to establish the termination date to be inserted in paragraph B of the draft letter. Discussion among the Board ensued and staff was advised to complete the draft letter to Wavecrest Village, LLC including the termination date of January 1, 2008.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted by roll call vote to grant the request for an extension of commitment to reserve 72 non-priority connections for the Wavecrest Village Project:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

D. Status Report on major Capital Improvement Projects

The General Manager referred to the staff report for an update on the progress of the district's major Capital Improvement Projects, pointing out that two additional projects would be appearing later in the agenda for Board approval.

E. Award of Contract for the Field Office and Administrative Office Remodel Project

The General Manager briefly described the work to be included in the remodel of the district's field office and administrative offices.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by roll call vote to award the contract for the field office and administrative office remodel project to Coastside Associates in the sum of \$32,809.00:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

F. Discussion and possible authorization to staff to purchase two new Ford F-250 trucks

The General Manager introduced this item, explaining the need for the acquisition of the new vehicles, and addressed several questions from the Board regarding the purchase.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted by roll call vote to authorize staff to purchase two new Ford F-250 pick-up trucks from S & C Ford in the amount of \$34,126.00 plus sales tax:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

G. Discussion and possible adoption of Resolution No. 2004-18 Amending Policies and Procedures for Awarding Contracts

The General Manager explained the reasons for the request to amend the General Manager's spending authority, increasing the amount from \$5,000. to \$15,000, referencing the data and rationale contained in his staff report. Discussion among the board ensued, followed by a brief chronological summary of the previous resolutions on this policy, which was provided by district counsel.

ON MOTION by Director Coverdell and seconded by Ascher, the Board voted by roll call vote to adopt Resolution 2004-18 Amending Policies and Procedures for Awarding Contracts:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

H. Discussion and possible adoption of Resolution 2004-19 establishing an additional 457 Public Employees Deferred Compensation Plan

The General Manager explained that this resolution was being presented to the Board based on the district employees' interest in having an opportunity to participate in an alternative voluntary deferred compensation plan.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted by roll call vote as follows to adopt Resolution 2004-19 establishing a 457 Public Employee Deferred Compensation Plan:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

I. Discussion and possible direction to staff to participate in the Department of Water Resources Office of Water Use Efficiency program and prepare a grant application for a desalination feasibility study

The General Manager explained that he had recently attended a Department of Water Resources, Office of Water Use Efficiency Workshop and learned of this possible grant opportunity and wanted to present the information to the Board for discussion and consideration. He directed the Board's attention to the report prepared by Amanda Cox, the district's Water Conservation Coordinator, providing estimates of the cost comparison of future water supplies and reviewed the figures and tables with the Board.

The General Manager further reviewed many of the district's options. The General Manager distributed an e-mail from Montara Water & Sanitary District in which they suggest collaboration on a grant application. Discussion ensued regarding the various options and President Muller directed staff to schedule a meeting between the CCWD/Montara Sanitary & Water Mutual Interest Committee and the Water Committee from Montara Water & Sanitary, sometime in November or December.

J. Discussion and possible direction to prepare a resolution of support for Proposition 1A Constitutional Amendment to prevent the State Legislation from taking and using local government funds

The General Manager referenced the extensive information in the packet regarding this item and pointed out that it is strongly supported by the Association of California Water Agencies and the California Special Districts Institute. The Board briefly discussed this issue and Mr. Condotti clarified a few points contained in the resolution language.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote as follows to direct staff to prepare a resolution in support of Proposition 1A:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

K. General Manager Activities

There were no questions or comments on this agenda item.

L. Correspondence

(1) Letter from Terry Burnes, Planning Administrator – San Mateo county Environmental Services Agency regarding Transfer of Water Connections – dated August 31, 2004: The General Manager referenced the correspondence under this item regarding the letter from Terry Burnes, and the e-mail communications between Jack Liebster with the City of Half Moon Bay and Judy Taylor, a local Re/Max Dolphin Realtor regarding the transfer of water connections.

Anthony Condotti, the district's legal counsel was asked to share his views. He explained that the issue is whether or not transferring a water connection constitutes development, as it is defined by the Local Coastal Act (LCP) and

reported that his issue has been debated periodically between the district and the City of Half Moon Bay in 2002 and 2003, when the Board amended the transfer policy. Mr. Condotti further explained his interpretation of the LCP, which differs from that of the City of Half Moon Bay, but is in agreement with that of San Mateo County Council.

(2) Correspondence with Columbus Street, El Granada residents regarding recent pipeline installation: The General Manager referenced the letter recently sent to the Columbus Street residents and pointed out that about half of the responses to the survey were received by the district. President Muller commented that he felt the local contractor, Stoloski & Gonzalez, Inc. had performed an excellent job with the project and he encouraged the district staff to continue this process of surveying the results from residents affected by the district's current pipeline replacement projects.

(3) (Draft) Correspondence from President Muller to Chairman Scott Boyd of Sewer Authority Mid-Coastside (SAM) dated September 14, 2004: The General Manager explained that the letter in the packet was a draft that the Board may want to send to SAM to re-open discussions concerning reclaimed water. President Muller invited comments from the district's new Superintendent of Operations, Judy Nosecchi, who explained that her career started as an operator-in-training at the Sonoma Valley plant and stated that she strongly believed in reclamation and had been a Reclamation Superintendent for the City of Santa Rosa and explained some of the applications that their reclaimed water was utilized. President Muller suggested that the letter be finalized and sent to Scott Boyd with SAM.

6) WATER CONSERVATION COORDINATOR'S REPORT

Ed introduced Amanda Cox, the district's new Water Conservation Coordinator, who proceeded to provide a presentation to the Board of the events and displays that she intends to provide at the upcoming Half Moon Bay Pumpkin Festival. She demonstrated the model she will be using to show customers how to identify and read their water meter, check for leaks, etc. She also reported that she had recently updated the district's website with up-to-date water conservation information, and ordered some new water conservation literature for the district's display. She also explained her plans for the toilet toss game to be featured at the pumpkin festival and informed the Board of the billing inserts that would be mailed during October and November, providing a reminder to customers to scale back on their outdoor irrigation systems during the winter months. Ms. Cox also reported that she had enrolled the district in the school education program for the local 4th grade classrooms. She concluded her report by announcing that she had recently completed two training courses, the Water Conservation Coordinator's workshop and the Irrigation Auditors Workshop.

7) **ENGINEER'S REPORT**

A. **Engineering Projects Received in August 2004**

Mr. Teter addressed the Board and reported that one small pipeline extension project had been received during the month.

B. **District Engineer Work Status Report**

Mr. Teter reported that all of the projects that he is currently involved with are on schedule.

C. **Award of Contract for Construction of the Filbert / Metzgar Pipeline Replacement Project**

Mr. Teter reported that the low-bidder for this project, was once again, Stoloski & Gonzalez, Inc.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted by roll call vote as follows, to award the contract for the construction of the Filbert / Metzgar Pipeline Replacement Project to Stoloski & Gonzalez, Inc. in the sum of \$193,640.00:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

D. **Award of Contract for the Furnishing of Materials for the Filbert / Metzgar Pipeline Replacement Project**

Mr. Teter reported that the low-bidder for furnishing the materials for this pipeline replacement project was Kenko Utility Supply with a price of \$8,634.56.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted by roll call vote as follows, to award the contract for furnishing materials for the Filbert / Metzgar Pipeline Replacement Project to Kenko Utility Supply for a price of \$8,634.56:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

8) OPERATIONS REPORT

President Muller requested that at this time, the General Manager introduce the district's new Superintendent of Operations, Judy Nosecchi. Mr. Schmidt introduced Ms. Nosecchi and provided a detailed background of her previous employment, experience and certifications in both water and wastewater. President Muller welcomed her to the district and invited Ms. Nosecchi to share a few comments. She thanked the Board and staff and expressed her appreciation to be here at the district and to be working with the General Manager, the office staff and field crew.

- A. **Water Service Connections Installed, Priority and Non-Priority**
- B. **Capital Improvement Program Progress**
- C. **Water Sample Report, Local Production, Water Purchases, Leaks, etc.**
- D. **San Francisco Public Utilities Commission Hydrological Conditions Report for July 2004**

Ms. Nosecchi referred to the Operations Reports contained in the Board packet and invited any questions from the Board. At this time President Muller directed the Board's attention and opened discussion regarding the photographs provided of the recent water main leaks on the Carter Hill East pipeline. Discussion ensued and the District Engineer reported that the design and construction of this project is in the budget for this year and is scheduled for next summer, 2005.

The Superintendent of Operations then provided a brief status report on the establishment of the district's backflow program, reporting that district staff had met with the San Mateo County contact regarding assuming the program, staff is reviewing some software programs, and has enrolled the district in the Foundation of Cross Connections and Hydraulic Research, which offers training and testing and program development and administration information, regulations and updates and lists of approved certified devices.

9) MEETINGS ATTENDED/SCHEDULED – BOARD OF DIRECTORS

No discussion was undertaken on this item.

10) AGENDA ITEMS AND DIRECTOR COMMENTS

No discussion was undertaken on this item.

**11) CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code Section 54957.6)
District designated representative: District Counsel
Unrepresented employee: General Manager**

The Board returned to open session at approximately 10:55 p.m. By motion (5-0), the Board approved a one-time performance based merit/incentive payment to the General Manager in the amount of 3% of his current annual salary.

12) ADJOURN

The Recording Secretary was not present for formal adjournment of the meeting, which took place following the Closed Session. The next meeting of the Board of Directors is scheduled to take place on Tuesday, October 12, 2004 at 7:30 p.m.

Respectfully submitted,

Ed Schmidt, General Manager

Accepted and Approved:

John Muller, President